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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of)
Amendment of the Commission's)
Rules and Policies to Increase)
Subscribership and Usage of the)
Public Switched Network)

CC Docket No. 95-115

Alaska Telephone Association
Response to NPRM Released July 20, 1995

The Alaska Telephone Association (ATA), a trade association representing 22 Alaskan local exchange companies, respectfully submits these comments in the above referenced proceeding. Alaskan telephone companies take their commitment and responsibility to universal service seriously. Noting that universal service programs have been relatively successful, the Commission believes that "additional measures may now be necessary to continue to carry out our statutory mandate of making universal service available to all Americans."¹

ATA member companies share the Commission's vision in our desire to increase subscribership. At the same time we believe that implementation of the proposals in the NPRM are better left to individual Local Exchange Carrier (LEC) service area circumstances and the respective state commissions. Many of the proposals in the NPRM, or their functional equivalents, have

¹ NPRM, para. 2

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already been implemented by ATA companies. Others would prove unduly burdensome. Therefore, we do not believe that Commission mandates are necessary to further the public interest in this area.

1. Call Control Services

a. Voluntary Long-Distance Blocking Services

As the Commission notes, voluntary toll blocking services are widely available. The majority of Alaskan telcos offer toll blocking services with rates ranging from zero to \$3.40 per month. Activation charges range from zero, if ordered when service is initiated, to \$35. The initiation charge is often incurred in conjunction with the ordering of other custom calling features, so we do not believe that these charges have reduced subscribership to the services.

Jurisdictional toll blocking is possible using current switch technology through the development of individual call treatment tables; however, this process absorbs a disproportionate amount of switch resources relative to the customer benefits it provides. This will ultimately drive up the cost of toll blocking, decreasing the savings for the customer who needs it most.

Currently companies offer toll blocking without regard to jurisdiction. It makes little difference to a customer whether he can't pay for interstate calls or intrastate calls, therefore it makes little sense for the Commission to impose a requirement applicable to only the interstate jurisdiction. Local exchange company call blocking services are designed to respond to customer needs rather than to meet jurisdictional regulatory mandates; the Commission

should allow this to continue.

b. Other Long-Distance Restriction Services

These services, which the Commission requested comment on but does not propose to implement, are primarily functions of interexchange carriers rather than local exchange carriers. Personal identification number (PIN) access to the IXC network would need to be administered by the IXC providing the toll service.

Alaska telcos do not have the ability to accumulate or rate customer-specific toll minutes on a real-time basis. If either IXCs or LECs are required to develop the database infrastructure necessary to implement either PIN or real-time toll measurement and validation capabilities, significant costs will be incurred. Any additional requirements imposed on smaller companies could place additional pressure on universal service support mechanisms.

2. Assistance with Connection Charges and Deposits

The intent of requiring customer deposits at the time a customer initiates telephone service is to reduce the risk of nonpayment to the service provider. For toll restricted customers, the risk is less since the potential amount of the undercollection is reduced. LECs currently fit deposit requirements to individual circumstances and impose lower requirements on customers with a lower likelihood of uncollectible toll bills. Current practices are designed to encourage subscribership wherever financially feasible since this is in the LEC's best financial interest.

3. Disconnection Restrictions

In 1993 the Alaska Public Utilities Commission Staff reviewed, at the APUC's request, LEC disconnect policies as they relate to failure to pay for long distance services. It was found that all LECs will, at some time, ultimately disconnect customers for nonpayment of service. After reviewing procedures and practices employed by the LECs, the APUC decided against taking any regulatory action. The ATA encourages the FCC to do the same.

Generally, customers pay a total bill rather than three separate bills for local, interstate toll, and intrastate toll. Partial payments are applied in proportion to billed amounts. Billing and Collection agreements between the IXCs and LECs provide for disconnection of local service once all efforts at collection have been exhausted. If disconnection for nonpayment of interstate toll was prohibited, partial payments would need to be applied first to local service, then to toll services. This would violate current B&C practices of apportioning uncollectibles between the jurisdictions.

4. Lifeline Assistance

These programs need to be reviewed after overall universal service issues are decided. It makes little sense to shift these programs around until the potential amount of assistance, which is dependent on the outcome of the Commission's investigation in CC Docket 80-286, can be determined.

Regardless of the outcome of that proceeding, it does not seem reasonable to offer lifeline assistance to multi-line customers. The intent of lifeline is, just as the name implies, to provide a basic lifeline to those who cannot afford service yet need communications ability in the event of an emergency.

5. Serving the Highly Mobile, Low Income Population

The Commission notes the possibility of providing service to the highly mobile, low income population using debit cards, voice mailboxes, personal identification numbers (PINs) and establishing centrally located high volume, low cost calling facilities. The first three are currently available in the marketplace and are becoming more common as entrepreneurs develop the resale market. While centrally located facilities may have a place in providing access to high speed data services, their cost effectiveness in providing low-cost access to basic phone service is questionable. Presumably, such facilities would be provided in competition with existing pay telephones in an area. ATA does not believe that such subsidized competition is in the public interest.

6. Extending the PSTN to Unserved Areas

Basic Exchange Telecommunications Radio Service (BETRS) and VHF radio wireless extensions of local loop have allowed expanded access of the Public Switched Telephone Network (PSTN). This has allowed the Commission to further its mandate to make universal service "available to all Americans." Fixed cellular deployment works where the topography and population density allow for adequate two-way radio wave propagation and local siting of a switch.

Subscribership can be maximized by allowing LECs unfettered access to new technology as it becomes available. In addition to BETRS, VHF radio, and fixed cellular applications, the installation of satellite local loop systems using Demand Assigned Multiple Access (DAMA) technology to extend local service from a switch to remote locations might be possible. The Commission should allow, and even encourage, the exploitation of

such technologies by LECs when they are capable of increasing access to service.

7. Consumer Awareness

Local telephone companies are the first line of inquiry for customers seeking answers regarding their phone service, as well as the primary disseminator of information on service options. As needs dictate, Alaskan LECs are capable of communicating in English or Native Alaskan tongues, such as Yupik (used by Yupik Eskimos in Western Alaska). Most are active in sponsoring community events and social organizations.

As the Commission itself notes, local telephone companies have an economic incentive to increase subscribership as this increases both current revenue and enhances the value of the entire network. Consumers have, in the last 10 years, been bombarded with marketing hype, offers, deals, and some fairly creative media campaigns from interexchange carriers. Many people no longer know which IXC currently serves them, even if they have avoided being slammed.

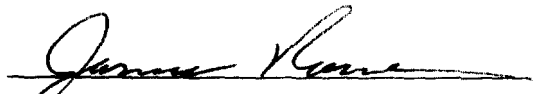
Amidst this hoopla, it may seem the LECs are silent as marketing entities. Not true. Most people can tell you the name of the local telephone company serving their area, even if they are not a subscriber.

Conclusion

ATA is encouraged by the Commission's concern with subscribership levels in America. As noted above, most of the proposals suggested for reducing barriers to connecting to the PSTN are being addressed by the entities closest to the day-to-day needs of subscribers, the state commissions and LECs. ATA believes

that the Commission can most effectively enhance subscribership to the network through endorsing the employment of new technologies to expand service availability and through its continued diligent support for universal service goals in CC Docket 80-286.

Respectfully submitted this 27th day of September, 1995.

A handwritten signature in black ink, appearing to read "James Rowe", written over a horizontal line.

James Rowe

Executive Director

Alaska Telephone Association

4341 B Street, Suite 304

Anchorage, AK 99503

907/563-4000 FAX 907/562-3776